

Featured Speaker

The Honorable Ralph Regula
Chairman
Subcommittee on Appropriations
U.S. House of Representatives

Thank you.

I like to be out with the audience and I want to interact with you because we are teammates. You're not going to get another brilliant technology speech, and so I can relax on that one. But I think you've set the stage on what we need to do and that is education. You're going to forget 99% of what I say, but I have a couple of things that I hope you remember.

First of all, I want to say you're my heroes, because I think Clean Coal Technology is the future. We are sitting in this country and many other countries on tens of decades of supply. We fought a war over oil, you can talk about desert storm anyway you want to, but we were there because of oil and if it were no oil, we would not have been there, but neither would be **Sadam Husan**. So that's what it's about and I'm glad we have people from other countries.

I'm on the North Atlantic Assembly as one of the delegates and now that we're talking about environmental issues (we use to talk about how we could kill each other, today we're talking about how we can create economic growth and jobs around the world) at our last meeting and I'm on the committee. I looked up at the dias where they have the flags of the countries. There normally would be 16 flags (16 NEDO countries). This year there were 33 flags because 17 other countries were participating in these NEDO discussions and talking about environmental issues and jobs. And that's where it is in the future and that's why clean coal technology is vital not only in the United States, but around the world. And I'm glad that we have people representing these other countries.

What I hope you remember is that each of you needs to be a lobbyist and each of you need to educate members' of congress or others. I met with a delegation from the Ukraine who was visiting probably the most modern steel mill in the world. That's in my district, the Temkin Company. And they were the managements of steel plants of the Ukraine and the reason they were in the United States is because they were getting pressures back home to clean up the steel industry (that deal with environmental questions). And they were here in the United States visiting steel companies to find out how.

When I visited with them, I said that's fine but you also need to interact with your legislatures and I said that after all they're part of the team. And that's so important to all of you to get on a one-to-one basis with members of congress, governors, state legislators because we have critical issues coming up. It does make a difference and what you need to talk about is how it affects jobs.

Bill Clinton got reelected President because the economy is good, because the pocketbook issue, that's what people understand. The best job of lobbying I've ever seen was done by the Chrysler Corporation. If you remember back when they were almost bankrupt, and we had to bail them out, we had to co-sign their note in effect (we the United States government). They came into my office, they had documented down to the last screw and bolt and nut that was made in the 16th District of Ohio, because we don't have any auto industry. They had documented how many people were working in Chrysler agencies fixing cars and it turned out that the 16th District owes 50 million dollars worth of activity, all affecting jobs. And believe it or not they, as you well know, they got the bail out. I didn't vote for it because I don't have to think that it was an appropriate way for government to be involved. But never the less it saved Chrysler and today I just read in Forbes magazine coming down here that, I think they were nominated as the number one company of the year by the 400 CEO's that were polled by Forbes.

So it illustrates what you need to talk about are jobs, and the two big issues that will be of interest to all of you this year and next year and probably a couple of years down the road, in the case of deregulation of electricity. It's coming, we deregulated trucking, shipping, telecommunications, you're next in line. And I tell my audiences back home, I said now at 5:30 when you sit down to dinner the telephone rings and somebody wants to sell you long distance service MCI, Sprint, you name it.

You get ready, in a couple of years they'll want to sell you electricity. It may be Pacific Gas, Tampa Electric, I hope I get a call from Bonneville because they've got a great rate. The government's taking care of that one. But I don't think I'll get a call from REA, rural electrification. I'll get a call from them not to sell me electricity but to tell me that deregulation is not a great idea. So all I'm saying is, get in touch and don't just say I'm _____, tell people who represent you in the state legislature, in the congress and the governors how this will affect jobs, how it will affect economic growth, how it will affect the competitiveness. Our governor in Ohio likes to say "the rust is off the belt" because Ohio was for many years the called "rust belt." It's not the "rust belt" anymore. I mean people understand that this deregulation issue is very complex to say the least. You've got the problem of the stranded cost, you've got the problem of the REAs, you've got the problem of the Bonneville, how do they fit in TVA? I can see enormous problems, but some how we're going to work it out. And you therefore ought to be part of the process and I hope if you forget everything I say that in the few minutes I have you'll remember that and take some responsibility for it.

And of course the second issue this time is going to be the clean air question. They're going to propose (I think it's scheduled for June 28th) a proposal that changes clean air regulations. One of the things that we did in this session in the Small Business Recovery Act is put in a probation that a proposal and change of regulations require an economic impact statement. Meaning that when EPA proposes these, they've also got to say how's it going to impact on the economy, what's its going to cost in jobs, what's it going to add to the cost of electricity, of gasoline, all kinds of other things. Because regulations do have that kind of impact. What's it going to do to our competitive position in the world today, which of course relates back to jobs. It relates back to taxes for school systems, United Way contributions and on and on and on. It affects the quality of life all across the board, and therefore it's important that you have input to us.

You know the 435 members of the house and 100 members of the senate and legislatures and the governors. We got it coming at us from all directions. I vote with a card, it's the world's greatest credit card because I can vote with this card and my grandchildren are going to get the bill. You put this card in a slot (that's my voting card I've used it six or seven hundred times last year), and there are only two buttons. One that's says present (if you want to a cop out), otherwise it's yes or no. **And when I vote, that's a wide reaching in ramifications.**

The point is that I have to use that on a merit of subjects. Therefore it's important that I be educated. And the way that happens is that people that I know in my district, that are involved in the power industry or whatever, talk with me about what kind of impact deregulation will have. What kinds of impact Clean Air Act Amendments will have. And we're going to get the economic statement. That's a big improvement of the regulation process. But also we're going to add 60 days in which we have to decide weather or not to try to modify these proposals or block them. Very important decision and we need as much information as possibly. Particularly because those who are on the other side for whatever reason are going to be very aggressive, very ___ in their position and therefore it's important that all of you be involved in that process and I think those will be the two big items that will affect your industry in 1997.

I think in the deregulation industry it will go on to 1998. There will be others that affect you. I thought one of the most significant pieces of testimony I heard last year was Alan Greenspan. Alan Greenspan, Chairman of the Federal Reserve, obviously sets monetary policy for the United States. By the way he's going to get married. If you've read the papers than you can tell Alan is not one to act quickly. He's been going with Andrea Mitchell for 12 years but he's finally taking the plunge. Maybe that will moderate interest rates, I don't know.

Alan Greenspan said (I'd quote him almost verbatim) to the budget committee members "if you balance the budget for the next seven years" I think this was in 1995. "If you will do that, your children, your grandchildren will have a better standard of living than you do." Now that's an enormous promise and a very important one. Why did he say that? Because interest rates will come down, interest rates come down, you and your industries can expand. My _____ company in Republic Steel, Hoover, Rubbermaid and Smuckers can expand produce more jobs, we're back to J-O-B-S, and be more competitive in the world marketplace. Because interest is a very significant part of the process of doing business. And so our mission in the legislative side is to help make that happen. Therefore I think the number one issue in 1997 will be the budget.

I was in the presidents office about a month ago, he signed a bill that I was involved with and a number of other members. After he signed the bill the press was out, the TV cameras and the first question from the presses. "Mr. Clinton, what is your number one issue for 1997." And he immediately responded "Balancing the Budget." That's good news, now how we do it becomes a different matter. And where the priorities end up being allocated, but I think this is very important. It's important not only in the United States but around the world.

I noticed that some of the countries like Sweden and Norway which traditionally has socialistic governments are beginning to discover that the cost of all these programs is becoming an excessive burden and makes them less competitively in the marketplace. So the number one issue next year is going to be, I think the budget issue, another issue for 1997 will be taxes. Bill Archer is Chairman of the Ways That Means. He went down and had a one-on-one. No staff present, just the two of them talking about tax reform and he came back somewhat optimistic. The president in the campaign promised some changes like making your home sale tax free, allowing you to deduct the cost of sending your children to college. But in order to get those, which he obviously will propose, we the Republicans will probably say how about some capital gains relief. How much I don't know? How about some individual relief. So all I'm saying is this whole tax issue I think will be discussed at great length in the 1997 session.

We of course have the proposal for the "flap tax" that Steve Forbes put out there. It has its fans including Dick Armey, the number two republican in the house and then Bill Archer whose Chairman of the Tax Writing Commission would like to go to a National Sales Tax or something like a Value Added tax. So its going to be a lot discussion but again it will affect your businesses considerably. And therefore it's important again that you get involved. I'm not going to ask a show of hands, but if any of you have do not personally have a contact with both your congressman, senator and your state legislature, you're missing the boat. I don't mean sending a check for their campaign, I mean getting to know them. Call them up, go to a meeting if necessary and button whole them. They button whole me all over the place.

Best lobbying job I ever had was when I was in state senate we were going to change the driving age. The AAA was for it, the state patrol was for it, the insurance industry was for it. Ohio 16 we're going to raise it to 18. Well my two boys who were about 15 and 13 said dad we want to have a little meeting with you, when I got home. They said dad how are you going to vote on the driving change, the age? Well I said everybody is for it. They said if you vote for it, you can mow the lawn yourself. And that got my attention.

But all I'm saying is that you got to get to know, you got to contact people. You bring to us this process called education because again we got so many difference things we have to deal with every day and therefore it becomes important and we have this base of knowledge when we have to go in and put this card in the slot. And of course in the committee hearings it's not just the card in the slot. Its the flow chamber. But it's the committee hearing's, I voted committees that's not normally public awareness on committee votes and yet those are the ones that have a great impact how you put that bill together. The congress committee has to deal with the deregulation issue and in the committee once a bill gets to the floor its tough to change. You can offer _____, but the real work is done in the committees, that's where the house is built. And you might put a little extra _____ on the porch, around the house by buying large. You got to do it the committees.

So beyond talking to members, you should talk to members that are on the congress committee in the case of deregulation, you should talk to a member on the Waste and Means committee in the case of taxes.

Now another area I think would be important in 1997 is Education. We've passed the Welfare Reform Bill. We're saying that in two years people are off of welfare. Well we're a compassionate society we're not going to shove people out on the street with their three or four kids, that single mother, it's just not going to happen. That means of course that we've got a two-year window to ensure that individuals get some education, some skills and we need to work on that. I think that's a big issue and it's a big social problem that we all need to be involved with. Your companies ought to be looking at ways in which you may be able to offer some employment opportunities to these people. Because welfare is changing and that means that these people have to have jobs if they're going to go off of that. I think that in terms of entitlement, that'll be another tough issue. I don't have time to get into that but I would say overall what we're trying to do (believe it or not) in the congress is manage government better.

I'm a fan of Edward Demning. Japan had to teach us that Edward Demning had the right idea, he was not a profit in his own country. He went to Japan and they learned well from him and then he finally came back here. We got to do that in government, we can't balance that budget in the way that Alan Greenspan is talking about unless we manage better and we have taken some steps. I'm on the Appropriations Committee, we cut 53 billion dollars out of the budget over the last two years. Now that's 53 billion dollars that we're not going to send to my grandchildren in the way of a bill. Not only the 53 billion dollars but that compound interest that goes on and on and on.

The interest on just the national debt now is one of the biggest items in the budget and its growing, so we need to address it and it can be done. The idea was some very popular thing's parks, forest, recreation, Smithsonian all these things and yet we've cut the employment levels in agencies. Just in our subcommittee 15%, and we've cut the budget 9½%. And it can be done, just as you are. Because of competition going to have to continue to look at that that will be one of the phases of deregulation you'll no longer have a Public Utility's Commission standing guard there and telling you here's what your guarantee profit will be for the next period of time. And so you're going to be looking at ways on how to be more competitive and I hope that the use of coal will be one of them. I think it will be and that's why the clean coal technology becomes extremely important.

Housekeeping issues, at lest for the time being the focus will move to the senate in the congress. In the last two years the house has tended to be replaced where the initiative came out of but I see that changing, partly because the speakers have some difficulties. From watching the news, simply because the senate picked up a seat and Trent Lawd is a new person. Trent is going to be a very effective leader. He will be able to communicate extremely well with the President. I know Trent, he and I came to congress together. A very able-bodied individual. And I think that because the President is going to be interested in his place in history he certainly is not going to run for any more offices, I don't think. And because we the Republicans want to demonstrate that we know how to govern, we discovered that when we shut government down that it didn't do any good for us politically, we're not going to do that again. But we are going to try to work with the President to manage this government better to accomplish his goal which is a balanced budget and our goal making a different way and they'll be some give and take. That it can happen which we demonstrated in the last six months of 1996, we worked out a number of very significant issues, a budget got signed, we had welfare reform, emigration reforms, some

regulatory reform a number of things. Because we had a little give and take. What the American people wants and people all of the world want. They want the politicians to work in ways that will be beneficial to the public and not worry so much about partisanship. And I think that could well be the hallmark of the 1997 session as we deal with some of these tough issues. But you're part of the team too and you have to have your input not only in terms of your professional association but as individuals and therefore I come full circle and say get involved, get to know the people that represent you give them your input so that we can make good judgements, so that we can make policy that will be significant and worthwhile value for a long term.

Deregulation, that's going to have an impact for decades. And therefore we need to do it right. On the telecommunications bill we sent it down and the President vetoed it (it came back). I didn't vote for it the first time. I didn't like all the characteristics of it. We finally got something, it may not be perfect, but it's better than when it went into the shoot to start with. And that's all a part of the legislative process.

I think lastly, we're going to an effort to get broke, we're at about 2.3%, 2.5% annual. We need to do things to get it up to 4%. Because that will help to solve the entitlement problem, that will help to solve the deficit problem, that will help to solve the problem of being competitive in the world marketplace. So many things could blow of a _____ out getting this country in a 4% growth pattern which it use to be. It will of course come back to jobs, when you have 4% growth you have jobs available. You have a high level of employment. We can make jobs for those people who are going to be pushed off of welfare but in turn have to do their share by getting a skill. We need to give them the opportunity.

Right now we got 165 post high school programs, I'm not talking about college, I'm talking about skill programs, some big ones, some little ones. We want to consolidate those into three or four really good programs that will help these people get skills. But again you need to be involved in the mix in local community so that the skills given, there's a market for them because it'll be nothing worse than to have somebody to spend six months acquiring a skill and there's no job that fits that skill. And to often we have not tried to coordinate it.

Well again you're my heros because you're working on a program, we had a real struggle to get the clean coal program. What I like about it is, its going to reduce our dependency on oil long term. We required a 50/50 match in terms of the private sector and that's become a pattern on a lot of things in government. I think clean coal is one of the first major policy issues where we did that requirement of having 50% out of private sector. As it's worked out. Its really 60/40, because it's a bidding process 60% private, 40% government. It's been very successfully, we're going to do our children and grandchildren a great favor if we can expand the use of coal. We're now at 56% of the power produced in this country from coal generation. I think it would be a shame to give them a legacy of dependency on imported petroleum because we've used it to produce electricity when coal can do it so well, while at the same time taking care of the commission requirements to meet the standards.

Let me stop there and answer any questions.